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# Indiana Business Review

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## DATA SUPPLEMENT: A REVIEW OF SELECTED BUSINESS INDICATORS

### REGIONAL RECESSION

Evidence is mounting that the recent economic slowdown or downturn has had a more severe effect on Indiana than on the nation as a whole. The basic statistics that describe the current status of the national and state economies, and that are published monthly in the *Data Supplement*, give clear indications that the Hoosier state continues to be more sensitive to national economic fluctuations than most other states. The latest data in these pages refer to August 1979 and offer an unambiguous statement of the economic differences between the nation and the state.

**Man-hours in industrial production** are the product of two employment figures (adjusted for seasonal variation): average weekly hours in manufacturing and number of persons employed in manufacturing. Nationally, man-hours in industrial production were *up* 0.7% from a year ago, but in Indiana industrial man-hours were *down* 3.3% from August 1978. Of the fifteen manufacturing industries reported in these data on page two, five were down in the nation but ten recorded gains from a year ago. In Indiana, however, eleven of the fifteen industrial groups were down from a year ago, and only four reported higher levels of activity. Those four were food processing, printing, chemicals, and petroleum products. Indiana industries associated with automobiles, housing, and other consumer durables showed decreases. Transport equipment, off 13.2% from 1978 rates in Indiana, was down only 2.3% nationally. Man-hours in primary metals, down 1.1% in Indiana, were down just 0.6% for the nation. Fabricated metals, up nationally, were down in Indiana. In rubber and plastic products the declines in man-hours in the nation and the state were equal (1.5%). Only in furniture production was the national decline (3.7%) greater than the Indiana decline (2.7%).

**Employment** in the nation rose by 3.1% from August 1978 to August 1979; the Indiana gain was 1.0%. That gain was in nonmanufacturing employment, up 6.8% in Indiana compared with a 7.4% rise nationally. Manufacturing employment gained at the national level by 2.2%, but fell in this state by 1.5%. A year ago Indiana's unemployment rate was about even with the national unemployment rate for August (5.8% in the state and 5.9% in the nation), but in August 1979 Indiana reported a 7.3% unemployment rate compared with a rate of 6.0% for the United States as a whole. The differences in unemployment among the fifty states are reported in the accompanying table. These data, comparing July 1979

*(continued on page 2)*

UNEMPLOYMENT RATES BY STATE

| *Rank July 1979* | *State* | *July 1978* | *July 1979* |
|---|---|---|---|
| 1 | Maine | 7.1 | 8.6 |
| 2 | Alabama | 7.2 | 7.9 |
| 3 | Delaware | 7.8 | 7.9 |
| 3 | New Jersey | 7.9 | 7.9 |
| 5 | Michigan | 7.3 | 7.7 |
| 6 | Alaska | 10.0 | 7.6 |
| 7 | New York | 7.6 | 7.4 |
| 8 | Rhode Island | 7.1 | 7.1 |
| 9 | Tennessee | 6.8 | 6.8 |
| 10 | Louisiana | 7.4 | 6.7 |
| 11 | Florida | 6.8 | 6.6 |
| 11 | Ohio | 5.3 | 6.6 |
| 11 | Oregon | 5.6 | 6.6 |
| **14** | **Indiana** | **5.8** | **6.4** |
| 14 | West Virginia | 6.1 | 6.4 |
| 16 | Pennsylvania | 7.3 | 6.3 |
| 17 | California | 8.1 | 6.2 |
| 17 | Hawaii | 8.2 | 6.2 |
| 17 | New Mexico | 5.7 | 6.2 |
| 17 | Washington | 6.5 | 6.2 |
| 21 | Maryland | 5.8 | 5.9 |
| 22 | Mississippi | 7.9 | 5.8 |
| 23 | Arkansas | 6.1 | 5.7 |
| 24 | Georgia | 5.8 | 5.6 |
| 24 | Kentucky | 5.7 | 5.6 |
| 24 | North Carolina | 4.6 | 5.6 |
| 27 | Arizona | 6.5 | 5.4 |
| 27 | Connecticut | 5.3 | 5.4 |
| 27 | Nevada | 4.2 | 5.4 |
| 30 | Illinois | 6.4 | 5.1 |
| 31 | Idaho | 5.2 | 5.0 |
| 31 | Massachusetts | 6.3 | 5.0 |
| 33 | South Carolina | 6.3 | 4.9 |
| 34 | Colorado | 5.3 | 4.8 |
| 34 | Wisconsin | 5.1 | 4.8 |
| 36 | Texas | 5.2 | 4.7 |
| 36 | Virginia | 5.2 | 4.7 |
| 38 | Vermont | 5.8 | 4.6 |
| 39 | Missouri | 5.1 | 4.3 |
| 40 | Montana | 5.4 | 4.2 |
| 41 | Kansas | 2.9 | 3.9 |
| 42 | Utah | 3.6 | 3.8 |
| 43 | New Hampshire | 3.9 | 3.7 |
| 44 | Minnesota | 3.6 | 3.6 |
| 45 | Iowa | 4.0 | 3.5 |
| 45 | Oklahoma | 3.9 | 3.5 |
| 47 | Nebraska | 2.6 | 3.0 |
| 47 | North Dakota | 4.2 | 3.0 |
| 47 | South Dakota | 3.2 | 3.0 |
| 50 | Wyoming | 3.1 | 2.4 |

Source: U.S. Department of Labor, *Employment and Earnings* (September 1979)

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*(continued from page 1)*

with July 1978, indicate that Indiana was one of sixteen states in which the unemployment rate increased over the year. In thirty other states the rate of unemployment fell. Rates in four states were unchanged. In July 1979 Indiana had the fourteenth highest unemployment rate; in July 1978 the Hoosier state was twenty-third. Neighboring states with higher unemployment rates in 1979 included Michigan and Ohio. At the same time nearby Kentucky, Illinois, Wisconsin, and Missouri all improved their unemployment pictures.

**Housing** construction is traditionally very sensitive to the nation's economy. Many analysts see the housing sector leading both downward and upward movement and providing stimulus to changes in other sectors. Nationally, August housing starts, after seasonal adjustment, were down 11%. Indiana housing starts in August were nearly 21% below their mid-1978 levels. Higher interest rates and added difficulties in obtaining financing (for both builders and home buyers) suggest that these figures will not improve rapidly in the near future.

**Raw steel production** held at a high rate in Indiana through the early summer but fell sharply in August. For the nation steel production was down 1.8% in August from its 1978 level; in Indiana the decline was 11.2%. Nonetheless, Indiana continues to show a stronger long-term position in steel production growth than the nation as a whole.

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## MAN-HOURS IN INDUSTRIAL PRODUCTION

| | United States (Seasonally Adjusted Data) | | | | Indiana (Seasonally Adjusted Data) | | | |
|---|---|---|---|---|---|---|---|---|
| | *Latest Month* | (millions) | *Percent Change From One Month Ago* | *Percent Change From One Year Ago* | *Latest Month* | (thousands) | *Percent Change From One Month Ago* | *Percent Change From One Year Ago* |
| **Manufacturing** | **Aug.** | **825.9** | **−1.4** | **0.7** | **Aug.** | **29,351.1** | **−2.4** | **− 3.3** |
| Food | Aug. | 66.8 | −0.5 | 0.6 | Aug. | 1,645.6 | 2.5 | 3.5 |
| Apparel and textiles | Aug. | 81.2 | −1.3 | −2.6 | Aug. | 465.9 | 2.1 | − 1.2 |
| Lumber and wood | Aug. | 30.0 | 1.3 | 1.5 | Aug. | 803.5 | −3.4 | − 6.4 |
| Furniture | Aug. | 18.0 | −2.3 | −3.7 | Aug. | 878.2 | −2.2 | − 2.7 |
| Paper | Aug. | 30.4 | −0.3 | 1.7 | Aug. | 642.6 | −1.9 | − 1.2 |
| Printing | Aug. | 48.1 | 0.9 | 3.9 | Aug. | 1,251.2 | −2.4 | 7.0 |
| Chemicals | Aug. | 45.8 | −0.7 | 0.4 | Aug. | 1,239.8 | −0.5 | 2.6 |
| Petroleum and products | Aug. | 9.2 | −0.2 | 0.3 | Aug. | 218.5 | 4.4 | 7.2 |
| Rubber and plastics | Aug. | 30.5 | −3.7 | −1.5 | Aug. | 1,494.8 | −0.6 | − 1.5 |
| Stone, clay and glass | Aug. | 29.3 | 0.4 | 1.4 | Aug. | 1,016.0 | −0.3 | − 5.0 |
| Primary metals | Aug. | 50.3 | −2.1 | −0.6 | Aug. | 4,623.1 | −1.5 | − 1.1 |
| Fabricated metals | Aug. | 67.8 | −2.1 | 0.8 | Aug. | 2,518.4 | −2.8 | − 3.2 |
| Nonelectrical machinery | Aug. | 104.4 | −1.4 | 6.0 | Aug. | 3,286.2 | −0.6 | − 0.3 |
| Electrical machinery | Aug. | 82.6 | −2.3 | 3.9 | Aug. | 4,374.5 | −6.3 | − 5.6 |
| Transport equipment | Aug. | 79.2 | −3.6 | −2.3 | Aug. | 3,908.6 | −6.6 | −13.2 |

## UNITED STATES BUSINESS INDICATORS

Quarterly Data

| | *Seasonally Adjusted at Annual Rates ($ billions)* | | | | *Percentage Change at Annual Rates* | | | |
|---|---|---|---|---|---|---|---|---|
| | *Latest Quarter* | | *Previous Quarter* | *One Year Ago* | *Latest Quarter* | | *Previous Quarter* | *One Year Ago* |
| Gross national product (GNP) | 1979:2 | 2,329.8 | 2,292.1 | 2,104.2 | 1979:2 | 6.7 | 10.6 | 19.8 |
| GNP ($1972) | 1979:2 | 1,422.3 | 1,430.6 | 1,395.2 | 1979:2 | −2.3 | 1.1 | 8.3 |
| GNP potential level ($1972) | 1979:2 | 1,460.1 | 1,449.4 | 1,417.7 | 1979:2 | 3.0 | 3.0 | 3.0 |
| Government purchases | 1979:2 | 466.6 | 460.1 | 428.3 | 1979:2 | 5.8 | 5.7 | 8.8 |
| Personal consumption expenditures | 1979:2 | 1,475.9 | 1,454.2 | 1,331.2 | 1979:2 | 6.1 | 11.4 | 14.4 |
| Private domestic investment | 1979:2 | 395.4 | 373.8 | 352.3 | 1979:2 | 25.2 | 3.6 | 34.7 |
| Corporate profits before tax | 1979:2 | 227.9 | 233.3 | 207.2 | 1979:2 | −8.9 | 10.8 | 85.7 |
| Change in business inventories | 1979:2 | 33.4 | 19.1 | 25.8 | 1979:2 | – | – | – |
| Federal surplus–deficit (NIA) | 1979:2 | − 7.0 | −11.7 | -24.6 | 1979:2 | – | – | – |

## UNITED STATES BUSINESS INDICATORS (continued)

### Monthly Data

| | *Current Levels or Annual Rates* | | | | *Percentage Change at Annual Rates* | | | |
|---|---|---|---|---|---|---|---|---|
| | *Latest Month* | | *Previous Month* | *One Year Ago* | *Latest Month* | | *Previous Month* | *One Year Ago* |
| All urban consumer price index[1] | Aug. | 220.7 | 218.4 | 197.5 | Aug. | 13.4 | 12.3 | 7.6 |
| All urban CPI–food[1] | Aug. | 235.0 | 235.0 | 214.6 | Aug. | 0.0 | 1.5 | 5.2 |
| Wholesale price index[1] | Aug. | 238.1 | 235.9 | 210.7 | Aug. | 11.8 | 19.0 | 4.1 |
| Money supply[2] | Aug. | 374.3 | 372.1 | 356.7 | Aug. | 7.3 | 10.6 | 8.1 |
| Money supply plus time deposits[2] | Aug. | 922.5 | 914.1 | 856.5 | Aug. | 11.6 | 13.7 | 11.8 |
| Mobile home shipments[3] | July | 282.0 | 279.0 | 255.0 | July | 13.7 | 41.8 | –49.6 |
| Mortgages–outstanding[4] | July | 460.7 | 456.6 | 412.0 | July | 11.3 | 15.9 | 12.4 |
| Mortgages–new issues[4] | July | 112.5 | 131.3 | 108.4 | – | – | – | – |
| Mortgage rate–new issues[5] | Aug. | 11.0 | 10.8 | 9.7 | – | – | – | – |
| Prime rate business loans[5] | Sept. | 12.9 | 11.9 | 9.4 | – | – | – | – |

[1] Base period: 1967 = 100
[2] $ billions
[3] Thousands of units
[4] $ billions, all savings and loan associations
[5] Percent

## UNITED STATES–INDIANA BUSINESS INDICATORS*

(Seasonally adjusted indexes unless otherwise noted; base period: 1967 = 100)

| | *United States* | | | | *Indiana* | | | |
|---|---|---|---|---|---|---|---|---|
| | *Latest Month* | | *Previous Month* | *One Year Ago* | *Latest Month* | | *Previous Month* | *One Year Ago* |
| **EMPLOYMENT** | | | | | | | | |
| Nonagricultural employment | Aug. | 135.0 | 135.0 | 130.9 | Aug. | 125.2 | 125.8 | 124.0 |
| Manufacturing employment | Aug. | 106.6 | 107.3 | 104.3 | Aug. | 101.7 | 103.4 | 103.2 |
| Average weekly hours (No.)† | Aug. | 40.0 | 40.0 | 40.4 | Aug. | 40.4 | 40.6 | 41.2 |
| Average weekly earnings ($)† | Aug. | 267.20 | 268.40 | 248.86 | Aug. | 317.14 | 319.52 | 297.05 |
| Nonmanufacturing employment | Aug. | 147.0 | 146.6 | 142.2 | Aug. | 141.3 | 141.1 | 138.3 |
| Unemployment rate (%) | Aug. | 6.0 | 5.7 | 5.9 | Aug. | 7.3 | 6.4 | 5.8 |
| Unemployment–married males (%) | Aug. | 3.0 | 2.9 | 2.8 | – | – | – | – |
| Continued unemployment claims | – | – | – | – | Aug. | 285.2 | 261.9 | 163.1 |
| **PRODUCTION** | | | | | | | | |
| Bituminous coal production | July | 136.1 | 136.1 | 136.9 | – | – | – | – |
| Industrial electricity production | May | 158.2 | 159.9 | 151.9 | – | – | – | – |
| Industrial electricity sales | – | – | – | – | July | 177.1 | 171.7 | 163.5 |
| Manufacturing production | Aug. | 151.9 | 153.8 | 148.6 | July | 157.9 | 155.8 | 152.7 |
| Raw steel production | Aug. | 106.7 | 112.1 | 108.7 | Aug. | 129.2 | 154.3 | 148.5 |
| **CONSTRUCTION** | | | | | | | | |
| Construction activity–total | Aug. | 295.9 | 300.4 | 275.9 | Aug. | 320.3 | 338.2 | 439.9 |
| Residential housing starts | Aug. | 138.8 | 139.4 | 156.0 | Aug. | 125.4 | 128.1 | 158.5 |
| Residential expenditures | Aug. | 388.8 | 389.2 | 377.3 | Aug. | 369.1 | 378.9 | 421.8 |
| Nonresidential expenditures | Aug. | 250.6 | 257.1 | 226.4 | Aug. | 198.0 | 191.0 | 186.4 |
| Public expenditures | Aug. | 190.6 | 198.8 | 189.5 | – | – | – | – |
| Public works and utilities | – | – | – | – | Aug. | 481.8 | 565.6 | 940.6 |
| **OTHER INDICATORS** | | | | | | | | |
| Personal income per capita ($) | May | 8,588.6 | 8,545.5 | 7,725.6 | 1978:4 | 8,085.0 | 7,723.0 | 7,298.0 |
| Passenger car sales (thousands)† | Aug. | 916.0 | 886.0 | 958.0 | July | 20.5 | 22.9 | 24.9 |
| Year to date (thousands) | Aug. | 7,488.0 | 6,572.0 | 7,771.0 | July | 157.3 | 136.8 | 168.7 |

*Current indicators are preliminary and subject to revision
†Not seasonally adjusted

SOURCES: Data on Indiana construction from McGraw-Hill Information Systems Company; Indiana passenger car registration from R. L. Polk & Co.; indexes of raw steel production for the United States and Indiana courtesy of American Iron and Steel Institute, Washington, D.C.; all other data from U.S. and Indiana government agencies and Division of Research, School of Business, Indiana University.

## INDIANA LOCAL INDICATORS
(Seasonally adjusted indexes; base period: 1967 = 100)

| | *Continued Unemployment Claims* | | | *Industrial Electricity Sales* | | |
|---|---|---|---|---|---|---|
| *Reporting Cities* | *Aug. 1979* | *July 1979* | *Aug. 1978* | *July 1979* | *June 1979* | *July 1978* |
| Anderson | 431.6 | 221.3 | 159.5 | 136.0 | 135.8 | 135.0 |
| Bedford | 111.1 | 125.8 | 82.0 | 249.6 | 236.6 | 198.8 |
| Bloomington | 202.1 | 199.9 | 166.2 | 82.5 | 78.2 | 87.0 |
| Columbus | 98.3 | 88.2 | 84.2 | 171.5 | 175.0 | 162.5 |
| Connersville | 370.4 | 191.6 | 178.9 | 114.1 | 123.6 | 115.4 |
| Crawfordsville | 717.5 | 651.8 | 486.2 | 190.8 | 193.7 | 181.1 |
| East Chicago | 185.1 | 161.6 | 194.8 | 80.2 | 78.2 | 84.3 |
| Elkhart | 936.3 | 910.8 | 189.9 | 163.9 | 153.4 | 149.4 |
| Evansville | 123.2 | 102.4 | 112.6 | 138.0 | 132.2 | 137.1 |
| Fort Wayne | 224.1 | 141.2 | 119.3 | 111.7 | 112.1 | 101.0 |
| Frankfort | 801.4 | 547.1 | 383.0 | 161.6 | 165.7 | 161.0 |
| Gary | 115.3 | 106.4 | 85.2 | 174.3 | 170.8 | 185.1 |
| Goshen | – | – | 0.0 | 211.4 | 206.8 | 199.0 |
| Hammond* | – | – | 0.0 | 198.0 | 204.5 | 194.8 |
| Huntington | 423.3 | 298.1 | 151.8 | 138.2 | 134.3 | 131.2 |
| Indianapolis | 66.4 | 56.4 | 62.5 | 151.4 | 151.0 | 142.7 |
| Jeffersonville | – | – | 0.0 | 161.4 | 168.6 | 158.5 |
| Kokomo | 667.6 | 416.3 | 120.8 | 233.0 | 198.5 | 199.4 |
| Lafayette | 355.1 | 325.1 | 207.5 | 302.2 | 249.4 | 248.0 |
| LaPorte | 281.2 | 271.8 | 228.7 | 205.9 | 209.5 | 203.4 |
| Logansport | 176.5 | 116.7 | 72.4 | 195.7 | 254.4 | 193.9 |
| Madison | 304.1 | 330.7 | 210.2 | 133.4 | 132.0 | 154.8 |
| Marion | 463.0 | 214.4 | 222.6 | 123.6 | 116.7 | 112.1 |
| Michigan City | 263.2 | 236.0 | 191.2 | 760.9 | 743.9 | 193.3 |
| Muncie | 172.8 | 141.1 | 141.0 | 121.2 | 110.2 | 93.8 |
| New Albany | 444.6 | 392.3 | 307.4 | 114.9 | 118.3 | 115.5 |
| New Castle | 876.3 | 325.2 | 185.4 | 130.0 | 157.8 | 172.6 |
| Peru | 189.2 | 152.6 | 122.0 | 222.3 | 229.5 | 207.2 |
| Richmond | 247.9 | 276.8 | 157.8 | 133.7 | 127.9 | 130.3 |
| Seymour | 276.1 | 155.2 | 125.0 | 159.8 | 164.2 | 142.5 |
| South Bend | 259.0 | 195.8 | 153.4 | 124.1 | 123.9 | 104.5 |
| Terre Haute | 267.8 | 196.3 | 168.1 | 192.8 | 187.0 | 186.4 |
| Valparaiso | 0.0 | 0.0 | 78.0 | 205.1 | 202.3 | 195.2 |
| Vincennes | 126.5 | 97.1 | 110.6 | 149.1 | 103.9 | 131.3 |
| Wabash | 313.7 | 218.8 | 75.2 | 198.2 | 179.2 | 183.5 |

*Continued unemployment claims of East Chicago and Hammond are combined.

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